

**Dispute Resolution Conclusion Report**  
**Regarding the Fifth Complaint Received in Relation to IFC’s Investments in Benban Solar Park (IFC #39728) in Egypt**

**March 2025**

**OVERVIEW**

The complaint is related to labor conditions at two active projects funded by the International Finance Corporation (IFC) in Benban Solar Park in the Arab Republic of Egypt (“the Project”).<sup>1</sup> In July 2022, CAO received a complaint from two security guards (the “Complainants”) of Al-Huda Security Company, which is affiliated with Sterling and Wilson Company (S&W), one of the subcontractors for the Benban Solar Park. The Complainants claimed that they had been dismissed from employment without reason after raising concerns to the company regarding insurance coverage and salaries.

In September 2022, the complaint was deemed eligible and referred to IFC, per the request and consent of the Complainants.<sup>2</sup> In October 2022, the Complainants expressed their desire for the complaint to be referred back to CAO and to end their engagement with IFC. CAO then began an assessment of the complaint in October 2022. During the assessment, the Complainants and the Benban Solar Park representatives expressed an interest in engaging in a dispute resolution process facilitated by CAO to resolve the issues raised in the complaint. In accordance with the CAO Policy, the complaint was transferred to CAO’s Dispute Resolution (DR) function in March 2023.

The first joint meeting was held in May 2023 to discuss the issues raised in the complaint. During the meeting, Benban Solar Developers Association (BSDA), the group established by all the Solar Park developers to manage the entire Solar Park, committed to assisting the Complainants in finding employment opportunities at the Solar Park. The Complainants expressed gratitude and decided to withdraw the complaint. In order to follow up with the parties and to officially report the outcome of the existing DR process, CAO kept the case open, while acknowledging the desire from the Complainants to withdraw their complaint.

Following the first joint session, CAO monitored BSDA’s commitment. After confirming that new job positions were offered to the Complainants, CAO convened another joint meeting in

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<sup>1</sup> Sterling and Wilson (S&W) is the current operation and management contractor for IFC project [SP Energy Egypt S.A.E \(#39728\)](#). This security arrangement is specific to this project and not for the entirety of the park.

<sup>2</sup> CAO Policy 39: “After determining a complaint to be eligible, CAO will enquire (a) whether good faith efforts have been made by the Complainants with IFC/MIGA and/or the Client or Sub-Client to address the issues raised in the complaint or (b) if such efforts were not undertaken, why. In the event CAO understands that the Complainant has not made any good faith efforts with IFC/MIGA or the Client or Sub-Client, CAO will establish whether the Complainant wishes to refer the complaint to IFC/MIGA or the Client or Sub-Client. In the event the Complainant does, CAO will refer such complaint to IFC/MIGA and/or the Client or Sub-Client. Complainants who have decided to pursue their complaint with IFC/MIGA and/or the Client or Sub-Client may notify CAO at any time of their desire to resume the processing of the complaint by CAO in accordance with this Policy. In the event no such good faith efforts were made, and the Complainant still wishes to pursue a complaint with CAO, CAO will record the Complainant’s response that no such efforts were made.”

January 2024 to finalize the case. At the second joint meeting facilitated by CAO, the parties agreed that there was no need for further engagement with CAO and proceeded to sign an agreement on January 16, 2024, to officially close the process with CAO. The parties agreed to keep the details of the agreement confidential. Accordingly, CAO did not publish the agreement on the CAO website.

After the agreement was signed, the case was transferred to CAO's Dispute Resolution monitoring and subsequently closed in April 2024, in accordance with the CAO Policy. This conclusion report provides an overview of the assessment and dispute resolution process, and offers some reflections and lessons learned from the process.

## **BACKGROUND**

### **The IFC Projects**

IFC is part of a consortium of nine international banks and other investors that are providing \$653 million (\$225 million from IFC) for the construction of 13 of the 41 solar power plants that make up the Benban Solar Park.<sup>3</sup> The Park is a 36 sq km plot composed of 32 operational power plants that are operated by different companies, near the village of Benban.

The lenders supporting projects within the park include IFC, the European Bank for Reconstruction and Development (EBRD), the Asian Infrastructure Investment Bank (AIIB), the African Development Bank (AfDB), British International Investment (BII), Finnfund (Finland), the Industrial and Commercial Bank of China (ICBC), the Europe Arab Bank, the Arab Bank of Bahrain, the Green for Growth Fund, Proparco (France), the Austrian Development Bank (OeEB), and the Dutch Entrepreneurial Development Bank (FMO).

All the project developers have joined together to form the Benban Solar Developers Association (BSDA) to manage the entirety of the Solar Park. BSDA hired a facility management company, Health and Safety Home (H&SH), to manage the operation and maintenance of the Solar Park and address environmental and social (E&S) and other relevant issues for the entire park.<sup>4</sup>

In the project involved in this complaint (SP Energy Egypt S.A.E.) (IFC #39728), S&W is specifically in charge of the operation and management of the security companies. Al Huda Security Company is contracted by S&W to provide gate security service for the individual plot of this IFC project within the Solar Park.

### **The Complaint**

The Complainants submitted a complaint in relation to labor conditions at two active projects in Benban Solar Park. The complaint alleged that after working for Al Huda Security Company for 15 months, the Complainants' employment was terminated without reason. They indicated that their contracts were for 18 months but had been terminated 3 months before the employment term was due to end. They alleged that the termination of their employment was linked to the questions they raised with the company regarding insurance coverage and the possibility of receiving a transportation allowance as part of their salaries. Before the complaint was submitted to CAO, the Complainants had been in contact with the Human Resources officer at Al Huda Security Company to discuss these points.

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<sup>3</sup> Benban Solar Park is subdivided into 41 separate plots (projects) assigned to different developers of solar power plants, 32 of which are now operational, generating and transmitting electricity to the national grid.

<sup>4</sup> Other issues include security and crisis management, traffic and road management, solid waste management, wastewater management, community liaison and communications, central facilities services, and the H&SH oversight and governance.

## **CAO Assessment**

In September 2022, CAO determined that the complaint met its three eligibility criteria. The complaint was referred to IFC per the request and consent of the Complainants. In October 2022, the Complainants expressed their desire for the complaint to be referred back to CAO and to end their engagement with IFC. CAO then began an assessment of the complaint.

The purpose of the CAO assessment is to clarify the issues raised in the complaint, gather information on the views of different stakeholders, and determine whether the parties would like to pursue a dispute resolution process or prefer that the complaint be handled by CAO's Compliance function. The CAO assessment process does not entail a judgment on the merits of the complaint; rather, it seeks to understand the facts and empower those involved to make informed decisions on how to address the issues raised.

During the assessment, the Complainants and the Benban Solar Park representatives expressed an interest in engaging in a dispute resolution process facilitated by CAO to resolve the issues raised in the complaint. In accordance with the CAO Policy,<sup>5</sup> the complaint was transferred to CAO's Dispute Resolution function in March 2023.<sup>6</sup>

## **DISPUTE RESOLUTION PROCESS**

### **Preparation for dialogue and capacity building**

In April 2023, CAO conducted capacity-building sessions with each of the parties, to prepare them for participating in the dialogue and ensure that they both had the relevant knowledge and skills to engage in the dispute resolution process on an equal footing. These sessions were conducted in Aswan with the Complainants and in a virtual setting with the representatives of BSDA. The sessions included training on conflict resolution, communication, and the CAO process. The CAO team provided additional capacity-building sessions to the parties throughout the mediation process, as needed.

### **Dialogue process**

CAO convened the first in-person joint meeting between the Complainants and the representatives of BSDA in Aswan, Egypt, in May 2023. A representative from IFC attended the session as an observer.<sup>7</sup>

During the joint meeting, BSDA committed to assisting the Complainants in finding employment opportunities at the Benban Solar Park. The Complainants expressed gratitude and decided to withdraw the complaint. The CAO mediator clarified to the Complainants that BSDA's gesture is not an obligation nor a guaranteed outcome for future employment. Nevertheless, the Complainants confirmed their trust in the Company and its commitment to its promises. In order to follow up with the parties and to officially report the outcome of the existing DR process, CAO kept the case open, while acknowledging the desire from the Complainants to withdraw their complaint.

Following the first joint meeting, CAO monitored BSDA's commitment to find new positions for the Complainants. BSDA acted on its promise and offered the Complainants two positions to serve as security personnel in the Benban Solar Park. One Complainant accepted an offer in September 2023. The other Complainant's acceptance has been delayed due to his inability

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<sup>5</sup> CAO's Policy is available here: <https://www.cao-ombudsman.org/policies-guidelines>

<sup>6</sup> For more information on the assessment phase, please refer to the assessment report: <https://www.cao-ombudsman.org/cases/egypt-benban-solar-05>

<sup>7</sup> The observer role was agreed upon by both parties. In addition to being bound by confidentiality, the observer provides only IFC technical input upon the invitation of CAO with the consent of the parties.

to secure the necessary army-release form from the Egyptian government, which is a requirement for his employment contract to be completed.

After confirming that new positions were offered to the Complainants, CAO convened another joint meeting in January 2024. At the second joint meeting facilitated by CAO, the first Complainant confirmed his satisfaction with his ongoing position as security personnel at the Benban Solar Park. Though the necessary army-release form to complete the hiring process was still missing, the second Complainant agreed to settle and accepted the employment offer, pending a later submission of the required forms. After confirming the status of the newly offered positions, the parties agreed that there was no need for further engagement with CAO and proceeded to sign an agreement on January 16, 2024 to officially close the process with CAO. The parties agreed to a three-month monitoring period to ensure that all aspects of the agreement were met. As the parties agreed to keep the details of the agreement confidential, it was not disclosed on the CAO website.

**Agreement monitoring**

As of January 17, 2024, CAO began to monitor the implementation of the agreement in accordance with the CAO Policy. In April 2024, CAO’s follow-up on the implementation of the agreement confirmed the following: the first Complainant reported his satisfaction with his current employment status at the Solar Park; the second Complainant reported that the required army-release form from Egyptian military service remains unavailable for submission. Nevertheless, he is satisfied with the agreement as it stands and has no further requests to extend the monitoring process. Based on this information from both Complainants, and with the consent of BSDA, CAO formally closed the case in April 2024.

**CHALLENGES, REFLECTIONS AND LESSONS LEARNED**

**Understanding Culture**

When trust between the parties was low, a culturally based goodwill gesture of a verbal promise to find alternative jobs proved invaluable to move the parties from doubt and mistrust to confidence in one another. The Complainants decided to hold off on their formal complaint based on the Client’s verbal promise, which was completed in good faith by the Client. Such cultural gestures need to be considered seriously based on the advice of the mediation team’s understanding of the cultural norms and values that dominate the behavior of the parties in a case. The fact that the Complainants did not show any concerns about the Client fulfilling its verbal promise meant that they considered the verbal promise to be as morally enforceable as a signed agreement.

**Understanding Context**

The mediator’s cultural fluency and competency helped CAO understand the context of employment rules in Egypt for young male professionals, which includes release from army service as a requirement for employment. The explanation provided of the context and circumstances under which the negotiations took place allowed the CAO team to understand the source of delays and the lack of progress on the status of the contract for one of the Complainants. Country rules and regulations need to be well understood when they affect the Parties’ ability to fulfil actions or activities that can move the process forward.

**Representation Challenges**

BSDA representatives worked tirelessly to gather all the necessary information around the case. Having not being directly involved as direct supervisors of the Complainants’ contracts, their role was more complicated, and they relied heavily on information gathering from the

hiring entity. Though the process worked in favor of the Complainants and the Client, it would have been easier to have direct access to the individuals directly involved in the hiring and contracting of the Complainants to serve as representatives of the Client.

## **CONCLUSION AND NEXT STEPS**

The parties expressed their satisfaction with the implementation of the agreement during the three-month monitoring period. In accordance with CAO's Policy, CAO concluded the dispute resolution process and closed the case.

All relevant documentation is available on CAO's website at [www.cao-ombudsman.org](http://www.cao-ombudsman.org)  
See Annex A for more information on the CAO complaint-handling process.

## APPENDIX A. CAO COMPLAINT-HANDLING PROCESS

Once CAO declares a complaint eligible, an initial assessment is carried out by CAO's Dispute Resolution function. The purpose of CAO's assessment is to: (1) clarify the issues and concerns raised by the complainant(s); (2) gather information on how other stakeholders see the situation; (3) help stakeholders understand the recourse options available to them and determine whether they would like to pursue a collaborative solution through CAO's Dispute Resolution function or whether the case should be reviewed by CAO's Compliance function.

As per the IFC/MIGA Independent Accountability Mechanism (CAO) Policy,<sup>1</sup> the following steps are typically followed in response to a complaint that is received:

Step 1: **Acknowledgment** of receipt of the complaint.

Step 2: **Eligibility**: Determination of the complaint's eligibility for assessment under the mandate of CAO (no more than 15 business days).

Step 3: **Assessment**: Assessing the issues and providing support to stakeholders in understanding and determining whether they would like to pursue a consensual solution through a collaborative process convened by CAO's Dispute Resolution function or whether the case should be handled by CAO's Compliance function to review IFC's/MIGA's environmental and social due diligence. The assessment time can take up to a maximum of 90 business days, with the possibility of extension for a maximum of 30 additional business days if after the 90-business day period (1) the parties confirm that resolution of the complaint is likely; or (2) either party expresses interest in dispute resolution, and there is potential that the other party will agree.

Step 4: **Facilitating settlement**: If the parties choose to pursue a collaborative process, CAO's Dispute Resolution function is initiated. The dispute resolution process is typically based on or initiated by a Memorandum of Understanding and/or mutually agreed-upon ground rules between the parties. It may involve facilitation/mediation, joint fact finding, or other agreed resolution approaches leading to a settlement agreement or other mutually agreed and appropriate goals. The major objective of these types of problem-solving approaches will be to address the issues raised in the complaint, and any other significant issues relevant to the complaint that were identified during the assessment or the dispute resolution process, in a way that is acceptable to the parties affected.<sup>2</sup>

OR

**Compliance Appraisal/Investigation**: If the parties opt for an investigative process, the complaint is transferred to CAO's Compliance function. The complaint is also transferred to the Compliance function when a dispute resolution process results in partial or no agreement. At least one must provide explicit consent for the transfer, unless CAO is aware of concerns about threats and reprisals. CAO's Compliance function reviews IFC/MIGA's compliance with environmental and social policies, assesses related harm, and recommends remedial actions where appropriate following a three-step process. First, a compliance appraisal determines whether further investigation is warranted. The appraisal can take up to 45 business days, with the possibility of extending by 20 business days in exceptional circumstances.

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<sup>1</sup> For more details on the role and work of CAO, please refer to the IFC/MIGA Independent Accountability Mechanism (CAO) Policy: <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/889191625065397617/ifc-miga-independent-accountability-mechanism-cao-policy>

<sup>2</sup> Where stakeholders are unable to resolve the issues through a collaborative process within an agreed time frame, CAO Dispute Resolution will first seek to assist the stakeholders in breaking through impasse(s). If this is not possible, the Dispute Resolution team will inform the stakeholders, including IFC/MIGA staff, the President and Board of the World Bank Group, and the public, that CAO Dispute Resolution has concluded the dispute resolution process and transferred it to CAO Compliance for appraisal.

Second, if an investigation is warranted, the appraisal is followed by an in-depth compliance investigation of IFC/MIGA's performance. An investigation report will be made public, along with IFC/MIGA's response and an action plan to remediate findings of noncompliance and related harm. Third, in cases where noncompliance and related harm are found, CAO will monitor the effective implementation of the action plan.

Step 5: **Monitoring and Follow-up**

Step 6: **Conclusion/Case Closure**

